

EXHIBIT 2

Microsoft

Revolutionizing Television for Satellite Viewers

WebTV Networks and EchoStar Communications announce the availability of a new enhanced offering aimed at providing users more choice and control over how they watch TV.

MOUNTAIN VIEW, Calif., Dec. 13, 1999 — Imagine hitting the pause button to answer the phone while watching the latest episode of your favorite television show, then resuming the show exactly where you left off. Or replaying an exciting triple play during a live baseball game without missing what happens next. Or automatically programming your television with the touch of your remote control to record every movie that your favorite actress appears in during the coming week.

As futuristic as this may sound, WebTV Personal TV service are offering these features in time for the 1999 holiday season to consumers who purchase the DISHPlayer 500, EchoStar Communications Corp.'s new state-of-the-art satellite receiver. In addition, viewers who currently own the EchoStar DISHPlayer 300 can also get these new capabilities by subscribing to WebTV Personal TV service.

"Our goal at WebTV is to deliver an enhanced, superior TV viewing experience, and the new Personal TV features offered with this product are an important part of that," said Mark Wagner, who leads software development efforts for WebTV Network's DISHPlayer product. "We're offering features that give people more control over their TV viewing experience -- so they can do far more than simply watch programs as they're aired by broadcasters."

In addition to offering Internet TV features such as Web browsing, e-mail and chat, and interactive TV features including access to more than 350 hours per week of interactive programming, WebTV Personal TV service includes new features that personalize the way people watch television, Wagner said.

For example, the EchoStar DISHPlayer 500's 17.2-gigabyte hard drive enables viewers to record and play true, high-quality digital video at the same time. "So for example, if I set up a recording for a show that comes on at 10 p.m., and I come home at 10:15 p.m., I don't have to wait until 11 p.m. to start watching it," Wagner said. "I can start watching it as it's recording. Or for that matter, I can let it record the show while I watch something else that I previously recorded."

In addition, a new "Instant Replay" feature enables users to replay a critical sports moment or any other action during a live broadcast. And "TV Pause" allows consumers to freeze a live TV show and resume when they're ready to start watching again without missing a moment of the show. "So if the phone rings, you press 'pause' and it freezes the program at that instant," Wagner said. "And then when you hit play, it resumes the program and you haven't missed a beat."

Personalizing the TV Experience

For those who want to create their own customized news channel, WebTV Personal TV service also includes a service feature called "Instant News." Instant News allows consumers to program one of their satellite channels to receive local weather, personal stock quotes, news headlines, sports scores and entertainment news according to their preferences. Content is delivered from Web sites and partners such as MSN MoneyCentral, the Weather Channel and others.

Related Links

- [WebTV Networks and EchoStar Deliver Digital Video Recording For Satellite TV Customers](#) -
- [WebTV and EchoStar Innovation Provides Enhanced TV Viewing Experience](#) -
- [WebTV: Simplicity, Convenience and Customer Satisfaction Make It the Second Most Used Online Service](#) -
- [Microsoft Shows NATPE Visitors the Future of Interactive Programming with WebTV Service](#) -
- [WebTV Web Site](#)
- [WebTV Networks and EchoStar Communications Introduce First Internet TV Satellite Product and Service](#)
- [EchoStar Communications Web Site](#)

"I travel often between San Francisco and Seattle, so I've programmed my Instant News channel to always show me the weather in those two cities," Wagner said. "I also have it show me the weather in New York City because I like to know what weather my parents are experiencing."

The product also comes with three popular video games -- *Doom*®, *Solitaire* and *You Don't Know Jack*, which users can play with others from their living room TV sets. *You Don't Know Jack* is updated each week via satellite without requiring a phone or Internet connection, so there's always something new to play.

What You Want to Watch, When You Want to Watch It

In addition, the DISHPlayer 500 and WebTV Personal TV service allow users to search the electronic programming guide for programs up to seven days in advance by entering a key word or category, making it fast and easy for viewers to find programs they want to watch, Wagner said. For example, users can search for all the hockey games that are on during the coming week, all movies in a certain genre, or all movies featuring a favorite star."

"With the DISH Network and EchoStar's DISHPlayer 500, you now have access to 500 channels using a single satellite dish, which provides a tremendous amount of choice for consumers," Wagner said. "But it also presents a challenge of finding the shows you want to watch, so being able to quickly search according to different parameters and find what interests you is really key."

The WebTV development team faced two major challenges in creating WebTV Network Plus service for satellite and WebTV Personal TV service, Wagner said. One was to create a high-quality product that feels "right" to the user. We wanted all of the transitions -- from play to pause and from fast forward to rewind -- to look beautiful and feel instantaneous, Wagner said. Another goal was to present the features to users as simply and intuitively as possible.

"Among the people we wanted to target with this product are consumers who never really had the time or inclination to figure out how to program their VCR, so it was really important to make this really simple for everyone to use," Wagner said.

Unlike other products on the market, which offer various levels of video recording quality, WebTV Personal TV service used in the DISHPlayer 500 is the only product that guarantees users the highest-quality digital video every time they record a television program, said Rob Schoeben, Senior Director of Service Marketing for WebTV.

"Our product doesn't have multiple quality settings because we only offer the highest-quality recording," Schoeben said. "Part of the reason people buy a satellite TV product is the high-quality audio and video. So what we do is ensure that it's going to be exactly what you paid for when you got satellite."

The Enhanced TV Advantage

Perhaps the biggest difference between WebTV Network Plus service for satellite and other products on the market today, according to Schoeben, is that it also provides viewers with Internet access and interactive television features. "There's nothing in the marketplace that delivers a full, enhanced TV experience or is fully integrated with a satellite experience," he said.

Schoeben said the new Personal TV features delivered with DISHPlayer 500 will help WebTV Networks to accomplish one of its three major objectives for WebTV: giving users more choice and control over how they watch TV. WebTV also provides viewers with more choice and control through its "TV Limits" feature, which allows parents to block television content they don't want their children to watch, ensuring a child-friendly viewing experience.

A second goal for WebTV, Schoeben said, is to bring new uses to the television set, such as watching TV while simultaneously browsing the Web, and using the Internet to send e-mail and pictures and to chat with friends. WebTV Networks has delivered Internet access features with all its WebTV products since it began offering them in 1997.

A third goal is to allow viewers to participate more actively in the programs they watch such as playing along with game shows or responding to a public poll during a news program. WebTV Plus service already offers access to more than 350 hours of interactive television programming every week, with 500 hours per week

slated to be available by the end of 1999, enabling consumers to actively participate in shows ranging from *The Today Show* to *Jeopardy* to *Judge Judy*, Schoeben said.

And Microsoft is actively working with the industry to encourage the creation of a broad range of content, by joining with the Advanced Television Enhancement Forum (ATVEF), an alliance of technology and media companies who are creating interactive programming, advertisements and promotions. The proposed ATVEF standard is designed to ensure all interactive TV shows and content can be viewed from any set-top box.

By combining several enhanced TV features onto a single hardware device, WebTV Networks seeks to provide consumers with the broadest range of enhanced television opportunities in the simplest manner possible, Schoeben said. "I think it's highly unlikely that consumers will want 15 single-feature devices added to their home entertainment system," he said. "The great thing about this product is that it brings all of these features together onto a single, easy-to-use piece of hardware at a really compelling price."

Providing a variety of enhanced TV features on a single set-top box also enables viewers to integrate them in interesting ways, Schoeben said. "Let's say I don't get home in time for my favorite game show," he said. "I can record it to my hard drive, and I can play it back and interact with it at 10 p.m., even though it was already on at 7 p.m. And I can still submit my score to the sweepstakes they're doing in an effort to win valuable prizes."

It's only a matter of time before all television viewers will have access to all the enhanced TV features offered in WebTV Personal TV service, WebTV Network officials said. And with the market expected to grow to 24 million interactive television users by 2004, it won't be long until these features become an integral part of people's everyday television viewing habits.

"These features really do revolutionize television," Wagner said. "The thing we found is that once you get used to having these capabilities, it's really hard to go back to the old way of watching TV."

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